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FRANK A. MUNSEY

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THURSDAY EVENING, FEBRUARY 25, 1909.

How the Melon Will Be Cut For the Insiders If the Gas Grab Bill Passes.

The gas bill which the Senate District of Columbia Committee has reported will not be passed without determined opposition. It is now known that two members of the committee, Senators Burkett and Gamble, opposed the measure in committee with all their strength, and pointed out the same line of objections to it that have been explained by The Washington Times. Their opposition will be carried to the Senate floor, while other Senators will join them there.

Those who have most carefully studied this legislation with a view to the public interest are convinced that it would be vastly better to have no legislation at this time than that this bill should pass.

This bill in substance proposes to legalize the very outrage of capitalization which has been attempted under the act of June 6, 1896. There has been doubt if that outrage could be carried out under the law of 1896, because that law was clumsy, was liable to the objection of unconstitutionality, and by reason of conceding too much to the Gas Monopoly, was liable to defeat its own purpose. It is now pending in the Supreme Court of the United States, in a case which the gas company has carried there in the hope of having the law sustained, after a lower court had nullified it.

The proposition of the Senate committee bill is in substance to put all that was most vicious in the old law of 1896 into a measure which would have better chance of escaping the condemnation of the Supreme Court. The new measure is more dangerous than the old, because it is in better form. It would in all probability be sustained by the court, and would result at once in the issue of \$12,600,000 of capital in place of the \$5,200,000 of stock and certificates now outstanding. In addition, it would give the company unlimited authority in the matter of issuing bonds to pay for extensions, improvements, and betterments. It would mean that as Washington grows it would have bond issue piled on bond issue to pay for extensions of the plant.

It is notorious that the present plant is superannuated and inadequate to requirements. Improvements which ought long ago to have been made have been postponed, awaiting the passage of such legislation as is now pending. Let this bill pass, and the Gas Monopoly will suddenly be awakened to the need of betterments; it will invest an immense sum in improvements, against which bonds will be issued, while at the same time cutting a huge melon in the distribution of new stocks in lieu of the present certificates of indebtedness, and against the franchise values, etc., which will have been given to the companies. It will mean a capitalization of \$18,000,000 in the next few years, as surely as the people of Washington shall continue to buy gas.

But this is not all. It is only the beginning. There is the best reason for the belief that the very people who today are buying gas stocks at nearly four times their face value, expecting to benefit by the carving of the melon, will find that they have been played for suckers of the worst kind. Instead of winning by their loyal confidence that the Gas Monopoly can get anything it wants from Congress, they are likely to find that they have been victimized, and that others will make the easy money.

This aspect of the matter should have the most careful attention, not only by legislators, but by investors. Briefly, here is the situation: The Washington Gas Company now has \$2,600,000 capital stock outstanding and \$2,600,000 certificates of indebtedness. The Senate bill provides that in lieu of this a maximum of \$12,600,000 of stock may be issued. How will this issue be made?

Under the terms of the bill, two ways are open, in the option of the management of the company:

Plan No. 1—The company may issue up to \$10,000,000 of stock in place of the present \$2,600,000 of stock, giving every holder of the present stock 3.84 shares for one. Then the \$2,600,000 of certificates of indebtedness would be converted into an equal amount of stock at par, and the round \$12,600,000 of capital would have been issued. Every holder of a share of the present stock would get 3.84 shares of the new stock as his slice of the melon. That would be cutting the melon for the stockholders.

Plan No. 2—The company may first, under the terms of the Senate bill, issue \$2,600,000 of stock to the present holders of certificates of indebtedness, giving them dollar for dollar in the exchange. The company would then have \$5,200,000 of stock outstanding. After that, it would proceed to have its valuation made, and when that was completed, to issue, pro rata, \$7,400,000 of new stock to the holders of the stock then outstanding. Under this plan, the people who now hold certificates of indebtedness would get exactly as much of the stock, for each \$100 of present holdings, as would the people who now hold stock.

That is to say, the stock now extant would get about two and one-half shares for one, instead of four shares for one. The certificates also would get two and one-half for one of their face value, in stock, instead of exactly their face value.

Gas stock now selling well up toward four times its face value would, in the event of this plan being adopted, drop in price with the increase in its volume. The fall would pinch the fingers of people who have been buying at these fancy prices in the expectation of getting about four for one. They would, instead, get about two and one-half for one, and would discover, too late, that they had been victimized.

Who holds the certificates of indebtedness? Nobody knows; at least, the public is not permitted to know. Accepted report in financial circles is that the "insiders" of the gas company hold most of them. The annual report of the Gas Monopoly shows that the president of the Washington Gas Company holds but a small handful of stock. It is popularly believed that astute gentleman has hidden his holdings in the names of other people. In all probability, this is not true. The anxiety of the present management to force this legislation indicates that it stands to make huge profits out of the deal.

It stands to make them, not by issuing to itself four shares for

one of gas stock, but by giving itself almost three to one for the certificates of indebtedness.

The bill opens the way for doing this if the management so desires. There is small doubt that is just what it will do.

The present management has fooled the people by telling them the truth about its holdings of stock. Everybody overlooked the opportunity for a juicy speculation in the certificates. Who owns them? Report has long had it that a great sum of them was firmly held by the present insiders of the company. Why? Because the real melon is to be cut for the benefit of the certificates, not the stock.

Read the Senate bill in connection with the statements here made, and then go to the newspaper files and read the list of stockholders of the gas company. You will conclude:

That the insiders of the Gas Monopoly have probably unloaded their gas stock on the public, knowing that under the plan of reorganization the stock would get the small part of the melon.

That the insiders have, in all probability, invested the money thus gathered from a confiding public in the certificates, which have been carefully kept out of the public's mind as a means to big profits, and have never commanded a fancy price.

That when the legislation passes—which, by the way, it will never do, despite the splendidly laid plan of the Gas Monopoly—the certificate holders will get about \$250 of 7 per cent stock in exchange for each \$100 of certificates, while the holders of present stock will get the same.

It is the cleverest scheme of making a few millions of easy money that has ever been broached in this town, and in which the confiding co-operation of an innocent Congress was sought to be enlisted.

The innocent investor is being loaded up with gas stock which will never again be worth so much as on the day this legislation passes. The wise insiders, holding the certificates, are in the way of making one huge profit selling the stock at high prices, and another out of turning their certificates into the new stock. They win at both ends; the investing public loses at both ends.

Read the Senate bill, read the analysis of it in The Times editorial printed on Monday evening, and study the statements here made, and decide for yourselves if this is not plainly the project of the wise manipulators who are playing both Congress and the investing public for marks, in expectation of getting away with a huge swag, and at the same time getting the company capitalized so high that the price of gas to the consumer can never be materially lowered.

And after studying the proposition will gentlemen of Congress think they ought to pass such an act?

ADMIRAL FRANKLIN BURIED TOMORROW

Army and Navy Officials Will Attend Services at St. Matthew's.

The funeral of Rear Admiral Samuel R. Franklin, U. S. N., who died at his home, 1325 Nineteenth street northwest, yesterday afternoon, will be held tomorrow morning at 10 o'clock at St. Matthew's Church. The Rev. Father Cooper will officiate. There will be twelve honorary pallbearers, including army and naval officials, although the funeral will be of a military order. The body will be accompanied to Arlington Cemetery by a body guard of eight sailors.

Loss to Navy.
In the death of Rear Admiral Franklin, naval circles have sustained the loss of one of their best loved members, and the country has lost a man who for forty-six years figured prominently in the sea history of his land.

He was born in York, Pa., August 25, 1824, entered the navy in 1841, and was commissioned a lieutenant in 1855. He was a volunteer on board the *Itasca* of Acting Rear Admiral Farragut. In March, 1862, and was executive officer of the *Dacotah* in the attack upon the batteries at Sewell's Point, in the spring of 1862. In the same year he was made a lieutenant commander, and commanded the steam gunboat *Arctostock*. During the spring of 1865, Lieutenant Commander Franklin was on the staff of Acting Rear Admiral Farragut. In the operation at Mobile Bay, and was the naval representative in the demand for the surrender of the city.

Commander in 1866.
He was commissioned a commander in 1865, and as a captain in 1872. He was fleet captain of the Western Gulf fleet, Rear Admiral Palmer, and Acting Rear Admiral Thatch. Later he was chief of staff to Rear Admiral Case and Rear Admiral Worden. In 1877 he was president of the board of examiners for promotion of officers. In 1881, he was advanced to the rank of commodore. He was superintendent of the naval observatory in 1884 and 1885, and in the latter year was promoted to rear admiral, with the *Pensacola* as his flagship. He was appointed in 1889 as one of the delegates to the International Marine Conference, and was chosen president of that body on its assembling in Washington.

Was a Club Man.
Franklin was a member of the Pennsylvania Commandery of the Military Order of the Loyal Legion. He also belonged to the Washington Memorial Society and the Sons of the Revolution. He was a member of the Metropolitan and Chevy Chase clubs.

Surviving him are his wife, a brother, Col. Walter Franklin, U. S. A., and a sister, James H. Sands, wife of Rear Admiral Sands.

BONDS OVERBID.
LONDON, Feb. 25.—The rush for Argentine bonds of the recent £5,000,000 issue was so great that the subscription lists, opened this morning, had to be closed at noon.

January Circulation Figures

Net Daily Average
The Times.....43,577
The Star.....38,227

The Association of American Advertisers has examined and certified to the circulation of this publication. The detail report of such examination is on file at the New York office of the Association. No other figures of circulation guaranteed.

Sec. 21. T. H. H. Secretary.

TEN MEN CONTROL WORLD'S TOBACCO

Second Installment of Report on "Combine" Is Made Public.

(Continued from First Page.)

bulk of cigars are made by hand and therefore the small factory is practically upon an equality as far as manufacturing advantages are concerned, with the plant operating thousands of hands whose year's output is high in the millions. The trust is now spending large sums of money experimenting with cigar-making machines and if they are successful in developing them to the required state of efficiency and can control the patents, they may be able to command the cigar business in the same manner that they dominate every other branch of the tobacco trade.

Its Competitors.
"The Combination," says Smith, "has superior advantages over competitors, from the great size of its plants and from the control of more efficient machinery, but, nevertheless, a great many independent concerns have been able to keep their heads above water and continue active competition. But, the latter or as an indirect result of the vigorous competition between the combination and the larger independent concerns."

Among the concerns owned or controlled by the trust are the following: S. Anagnostos and Monopol, cigar manufacturers; R. J. Reynolds, R. J. Reynolds Tobacco Company; D. H. Spencer & Sons Co., Nashville Tobacco Works; plug tobacco makers, P. Lorillard Company, Blackwell Durham, and R. A. Patterson Tobacco Company, smoking tobacco makers; Crescent Cigar Stores Company; International Cigar Machinery Company; Acker, Mangel Box Company; Manhattan Brier Pipe Company; American Stogie Company; Havana-American Cigar Company; Union American Cigar Company; Porto Rican-American Tobacco Company; and Henry Clay and Beck Company.

Plans for entertainment of the Sons of Veterans Reserve of Pennsylvania, who will attend the inauguration, were formed at a meeting of William E. Cushing, Camp No. 39, Sons of Veterans, last night.

Several hundred uniformed men from Camps 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

DR. WULLNER GIVES CHARMING RECITAL

Interpretation of German Songs Pleases Enthusiastic Audience.

Dr. Ludwig Wullner, one of the great singers of German songs, gave a recital yesterday afternoon in the Columbia Theater and demonstrated conclusively the claim that lies in the songs of Germany even to those unfamiliar with the language, and dependent entirely upon translations. Contralto Bos was the accompanist.

Dr. Wullner will appear at the same theater next Tuesday afternoon in a second recital.

In the twenty numbers of the program Dr. Wullner demonstrated almost every attribute of dramatic art so far as it lies in the power of a concert singer. In each of his songs where the requirements were such as to demand it, Dr. Wullner sacrificed voice to interpretation, and in each instance scored an emphatic success.

There has been no more picturesque personality presented on the concert stage this season than the distinguished German singer. About the ordinary height and with abundant hair matted above a classic face, Dr. Wullner's appearance is that of a tragedian rather than a singer. His dramatic interpretation of his program strengthened this impression.

Audience Enthusiastic.
The audience which greeted Dr. Wullner was not large, but it measured up to the mark in enthusiasm. Every number was received with pronounced favor, and the length of the program alone prohibited the granting of recalls.

If one might select the number which took precedence of all others on the program, Schubert's "Erlkönig" deserves the distinction. Dr. Wullner threw into the number the most intense dramatic fervor, and presented as graphic a picture through the wonderful music of the songs as an actor would play a part. It was a tone picture that has rarely been equalled on the local concert stage, and one which drew the most prolonged applause.

The strange music and theme of Schubert's "Der Doppelgänger" was another highlight, and the graceful, smooth, tender reading of the same composer's "Die Taubenpost" offered a striking contrast to the other writings.

"Der Mosensohn."
To Schubert's "Der Mosensohn" Dr. Wullner gave a delightfully bright and cheery interpretation, and gave all the tragic elements of his art to Brahms' "Verrat."

The work of Mr. Bos was a joy. It stood out as a distinct feature of the program, and each succeeding number gave the pianist further opportunities of artistic work. The brilliant accompaniment to Schubert's "Erlkönig" and "Die Taubenpost" was completely overshadowed the theme, and Mr. Bos was given his own share of the applause for his fine work in the number. His charming reading of the accompaniment to "Die Taubenpost" and of the playful score of "Die Frelle" were not the least important features of these numbers.

CASTRO NOT BOOKED FOR HOME PASSAGE

Decree Expelling Manager of the French Cable Company From Venezuela Revoked.

PARIS, Feb. 25.—The report that Claparo Castro, the deposed President of Venezuela, had engaged passage for La Guaira on the steamer *Guadeloupe*, sailing tomorrow, is denied at the offices of the steamship line.

CARACAS, Venezuela, Feb. 25.—The decree expelling from the country Manager of the French Cable Company, Claparo Castro, has been revoked, and he will return to Caracas with full power to treat with the government in settling the dispute with the company.

WILL ENTERTAIN VETERANS' SONS

Plans for entertainment of the Sons of Veterans Reserve of Pennsylvania, who will attend the inauguration, were formed at a meeting of William E. Cushing, Camp No. 39, Sons of Veterans, last night.

Several hundred uniformed men from Camps 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 16